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R 051734Z MAR 09
FM AMEMBASSY DUBLIN
TO RUEHC/SECSTATE WASHDC 9871
INFO RUCNMEM/EU MEMBER STATES
RUEHBL/AMCONSUL BELFAST 0956

UNCLAS SECTION 01 OF 02 DUBLIN 000110

SENSITIVE
SIPDIS

E.O. 12958: N/A
TAGS: [EI](#) [EIND](#) [PGOV](#) [PREL](#)
SUBJECT: BRIAN COWEN RALLIES THE TROOPS: THE 72ND FIANNA
FAIL PARTY CONVENTION

DUBLIN 00000110 001.2 OF 002

SUMMARY

¶1. (SBU) The governing political party in Ireland, Fianna Fail, held its annual party convention on February 27-28, ¶2009. The party's leaders acknowledged the country's difficult economic slump and heaped blame for the current problems on bankers. Facing record low approval ratings, Prime Minister Brian Cowen's keynote speech was widely viewed as an important measure of his ability to lead the nation out of the crisis. Cowen outlined plans to address Ireland's economic problems, announced major changes to banking regulations (including the merger of the Central Bank and the Financial Regulator to create a Central Banking Commission) and the hiring of an overseas banking regulator. He said he would overhaul government operations, increase taxes, and reduce spending. The general consensus was that Cowen's address was "good," but the result does not appear to have given him a bump in popularity. As more bad economic news is expected soon from the government, many people in Ireland are beginning to wonder how much longer Cowen will be able to hold on to his job. End summary.

IT WAS THE WORST OF TIMES...

¶2. (U) On February 27-28, 2009, Fianna Fail, the dominant political party in the coalition government in Ireland, held its annual party convention in Dublin. The key themes of the convention included how the current government would steer the country through the current economic recession, deal with problems in the banking sector (including scandals), and cope with an increasingly angry electorate.

¶3. (U) Deputy Prime Minister Mary Coughlan spoke about how the current economic situation impacted a wide cross-section of Irish life. She said that Ireland's "own exuberance in recent years has left (its) public finances and banks more exposed to the whims of international money markets than may otherwise have been the case," and that perhaps both "government and individuals should have demonstrated more restraint." Despite this, Coughlan rallied party members, saying that the government was "reinvigorated" and had strengthened its resolve to lead the country through the tough times ahead under Prime Minister Brian Cowen's leadership.

¶4. (U) Minister of Transportation Noel Dempsey made introductory remarks for the Taoiseach's address, harshly condemning bankers and money manipulators for committing "economic treason" on the homefront, using the Irish economy as their own "personal piggy bank," and endangering the "economic survival of the people." Dempsey acknowledged that the anger of the Irish electorate was directed at Fianna Fail as the party made "Hobson's choices ... between bad and

worse" to fix Ireland's public finances. He raised the crowd to its feet with his rallying cry that Fianna Fail had steered the country through difficult times in the past and would do so again.

THE PRIME MINISTER'S SPEECH

15. (U) Facing record low approval ratings (at just 21 percent), Prime Minister Brian Cowen's speech was widely viewed as an important measure of his ability to lead the nation out of the ongoing financial crisis. Cowen outlined plans to address Ireland's economic problems, pledging new banking standards and overhauling government operations so that the government could give taxpayers value for their money. He highlighted action plans to increase taxes, mitigate budget shortfalls, and cope with the economic downturn in the short- and long-terms. Cowen announced major changes to banking regulations, including the merger of the Central Bank and the Financial Regulator to create a Central Banking Commission based on the Canadian model. He also announced that an overseas banking regulator would be brought in to maintain oversight of the banks. He blamed the bankers for their behavior, saying that the government had to step in to fix the damage they had caused.

Comment

16. (SBU) Although the general consensus seemed to be that Cowen's address was "good," some commentators noted that they were looking for more inspiration from his speech, something along the lines of a U.S.-style "State of the Union" address. The news media criticized Cowen for speaking to Fianna Fail, rather than speaking to the nation from the floor of

DUBLIN 00000110 002.2 OF 002

Parliament. (Note: Cowen's address was televised nationwide.

End note.) Typically, party conventions accord the party leader a boost in popularity, but this does not appear to have happened. In the meantime, it was widely noted that the best speech of the evening was by Transportation Minister Dempsey when he introduced the Prime Minister.

Traditionally, the person who gives the introduction to the Taoiseach's address is viewed as the up and coming party leader. It would appear that the star of Deputy Prime Minister Coughlan - with an approval rating of only 23 percent - may be on the wane. As more bad news is expected soon from the government, including expected high unemployment rates around 11 percent, many people in Ireland are beginning to ask, "How long can Cowen hold on to his job?"

FAUCHER